

Message Text

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PAGE 01 BRASIL 05169 221851Z

ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00

FEA-01 TRSE-00 OMB-01 FPC-01 OES-07 PM-04 SP-02

STR-04 PA-01 PRS-01 USIA-06 /057 W

-----045385 222257Z /70

R 221830Z JUN 77

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 2384

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

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E.O. 11652: N/A

TAGS: EAIR BR

SUBJECT: CIVAIR - AVIATION FUEL CHARGES

REF: STATE 88627

FOLLOWING MESSAGE PREPARED BY AMCONSUL RIO DE JANEIRO:

1. CONGEN RIO CONTINUES IN CLOSE CONTACT WITH FUEL FIRMS AND AIRLINES TO MONITOR PRECISE SITUATION OF "ALINEA M" CHARGE. WE DO NOT KNOW OF DECEMBER 30 DECREE CITED REFTEL. HOWEVER, DECEMBER 27, NATIONAL PETROLEUM COUNCIL MODIFIED "ALINEA H" OF AVIATION FUEL PRICE SCHEDULE, WHICH IS SO-CALLED "ADJUSTMENT FUND STRUCTURE." PETROLEUM INDUSTRY SOURCES SAY "ADJUSTMENT" IS SIMPLY DEVICE TO BRING BRAZILIAN AVIATION FUEL PRICES INTO LINE WITH GENERALLY PREVAILING LATIN AMERICAN LEVELS.

2. AS NOTED BRASILIA 1524, FUEL PRICE HAS CONFUSING NUMBER OF ELEMENTS, UNUSUAL DOLLAR CONVERSION, ANF OTHER ASPECTS WHICH MAKE GENERALIZATIONS ABOUT CHARGE INCREASINGLY DIFFICULT. HENCE, ANY EFFORT TO DEA WITH FAIRNESS OF CHARGE MUST COPE WITH DIFFICULTY

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PAGE 02 BRASIL 05169 221851Z

IN ISOLATING CHARGE ELEMENT IN OVERALL FUEL PRICE.

3. CURRENT PRICE SITUATION IS AS FOLLOWS, EFFECTIVE MAY 8 (AND SUBJECT, AS NOTED, TO CHANGE): NEW CIF EX-REFINERY PRICE IS 2.1373 CRUZEIROS/LITER, INCLUDING "ALINEA M" OF 0.1431 CRUZEIROS AND "ALINEA H" OF 0.1035 CRUZEIROS. ("ADJUSTMENT" EFFECT MAY BE SEEN IN DECREASE FROM 0.2035 CRUZEIROS

IN APRIL 7 PRICE AND 0.1479 CRUZEIROS IN FEBRUARY 18 PRICE --
SEE TABLE TO BE FORWARDED BY AIRGRAM). CIF PRICE MUST BE
PAID IN DOLLARS (GENERALLY BY HOME OFFICES OF AIRLINES ABROAD)
AT "PETROLEUM DOLLAR" RATE, WHICH WAS ADJUSTED IN MAY TO 13.295
CRUZEIROS/DOLLAR (FROM 11.830 PREVAILING SINCE DEC). THUS,
EFFECTIVE DOLLAR PRICE ON MAY 8 WAS 60.85 U S CENTS PER U S
GALLON. THIS PRICE DOES NOT INCLUDE THE TRANSPORT CHARGE OF
0.1730 CRUZEIROS/LITER PAYABLE IN CRUZEIROS (I.E., NOT SUBJECT
TO "PETROLEUM DOLLAR" RATE).

4. AIRGRAM FOLLOWS WITH DETAILED SCHEDULE OF PRICE CHANGES
OVER PAST TWO YEARS, WHICH ESSO AVIATION DEPARTMENT MADE
AVAILABLE TO CONGEN RIO.
JOHNSON

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 22-Jun-1977 12:00:00 am
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Decaption Note:
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Disposition Approved on Date:
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